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**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF WASHINGTON**

In the Matter of the Application
regarding the Conversion and
Acquisition of Premera Blue Cross
and its Affiliates

NO. G02-45

SIXTEENTH ORDER: NOTICE
REGARDING PUBLIC HEARING
PROCEDURES AND SETTING OF
CONFERENCE

Pursuant to the Thirteenth Order: Setting Revised Case Schedule, the adjudicative hearing for the parties to present their cases has been set for January 15 through 28, 2004. In addition to these hearing dates, I intend to take public testimony. The purpose of this Order is to set forth certain procedures regarding the hearing and to set a date for a conference so that I may receive from the parties any comment on these procedures.

1. Public Testimony

I intend to schedule four hearings dates to take public testimony.¹ The hearings will be scheduled in different locations throughout the state. At this time, it is planned

¹ Premera, the OIC Review Staff, and organizations that are part of the Intervener groups shall reserve their testimony until the January 2004 hearing dates. Members of intervener organizations may testify on their own behalf at the public testimony hearings.

1 that the hearing dates will be December 2, 2003 (Spokane), December 4, 2003
2 (Yakima), December 11, 2003 (Seattle), and December 16, 2003 (Bellingham). Each
3 hearing will be scheduled from 6:00 p.m. to 8:00 p.m., unless more time is required.
4 Members of the public will testify under oath. The testimony will be recorded. There
5 will be no presentations or arguments by the parties. However, if counsel and
6 representatives of the parties desire to do so, they will have the opportunity to examine
7 the members of the public who testify. The public testimony will be evidence in the
8 case on which I may rely, giving it the appropriate weight in light of all of the evidence
9 to be presented in this matter. *See* RCW 34.05.452(3).

10 **2. Public Comment**

11 The public has submitted and will continue to submit comments on Premera's
12 proposed conversion in the form of e-mails, letters, and oral statements given at public
13 forums. While these public comments are not under oath, they are illustrative of the
14 public's interest in this matter. I intend to have these public comments included in the
15 administrative record for illustrative purposes.²

16 **3. Publication of the Expert Reports**

17 The Case Schedule sets a date for each of the parties to submit final expert
18 reports. The final reports should be accompanied by or include in the beginning an
19 executive summary that is fully disclosable to the public. To the greatest extent
20 possible the main body of the report should also be fully disclosable to the public.
21 Confidential information contained in a report or an appendix to a report should be
22 clearly marked and segregated. After submission to the Commissioner, the public

23
24 ² The admission of public testimony as evidence and the inclusion of public
25 comments in the administrative record are not uncommon in administrative matters,
26 such as this one, where the public interest may be significantly affected. These
procedures are also used in rate cases before the Utilities and Transportation
Commission.

1 information in the final reports will be placed on the OIC website. Therefore, the
2 reports must be produced in such a way that a public version can be easily included on
3 the website.

4 **4. Special Master's Role at the Hearing on the Parties' Presentations**

5 Judge George Finkle has been appointed as Special Master in this matter to
6 handle discovery matters. I have determined that, because of Judge Finkle's expertise
7 on procedural and evidentiary matters generally and experience with discovery matters
8 in this case in particular, his duties should be expanded to allow him to assist at the
9 adjudicative hearing scheduled for January 15 through 28, 2004. Judge Finkle will
10 make procedural and evidentiary rulings at the hearing. However, as the presiding
11 officer, I reserve the right to overturn any ruling. Judge Finkle's services and expertise
12 are reasonably necessary costs of the hearing process and will assist in an orderly and
13 efficient hearing. The costs for Judge Finkle's services shall be paid by Premera.

14 **5. Setting of Conference**

15 A conference is scheduled for October 8, 2003, at 9:00 a.m., at which time I
16 will take comments from the parties on these procedures. The parties may be present
17 in person at the Office of the Insurance Commissioner in Tumwater or by telephone.
18 Please contact my Executive Assistant, Valerie Gerst, and inform her whether you
19 intend to be present in-person or by phone.

20 **IT IS SO ORDERED**, this 3rd day of October, 2003.

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23 MIKE KREIDLER
24 INSURANCE COMMISSIONER
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